

1 **P7 – Proposed Guidelines for Home Performance with ENERGY STAR® Contractor**
2 **Feedback and Corrective Action**

3
4 Background

5
6 The National Home Performance with ENERGY STAR (HPwES) Program believes that
7 providing clear guidance on quality assurance (QA) requirements is important to local
8 sponsors. Local program sponsors are required to have a QA program that evaluates whether
9 participating contractors have:

- 10 - Performed a Home Performance Assessment¹ to make proper recommendations;
11 - Made improvements which will reduce energy use in the home;
12 - Performed required diagnostic tests and inspections upon completing the
13 improvements; and
14 - Satisfied the terms of the home improvement contract with the customer.

15 Local sponsors' experience has shown that contractors want a "level playing field" and expect
16 that all participating contractors that use the HPwES logo follow program guidelines. Therefore,
17 QA programs need to include protocols for providing feedback to contractors on their
18 performance and corrective action when needed. Feedback and potential corrective actions are
19 necessary when issues are raised during job reporting (paperwork) review, in-field inspections,
20 and customer survey review or due to customer complaints. Further, the QA program should
21 include policies to address contractors who continuously deliver inconsistent or poor job
22 performance (e.g. non-compliance with program requirements, technical standards, or have
23 poor customer satisfaction), even after intervention from the program, including provisions for
24 probation and expulsion/de-listing.

25
26 The quality of work being completed within local HPwES programs relies upon having a QA
27 program with communication flow between the program sponsor and contractors on QA
28 findings. **Since HPwES programs are voluntary, it is recommended that QA**
29 **communications be delivered in a positive spirit of assistance, education and continuous**
30 **improvement.** However, such communications are ultimately the primary tool for removing
31 underperforming or problematic contractors from the program if necessary. This proposal
32 details Guidelines for Contractor Feedback and Corrective Action that program sponsors would
33 use in developing their QA program policies.

34
35 There are several QA-related topics that are not addressed in this proposal, but have been
36 either previously proposed, proposed concurrently, or will be proposed after comments are
37 received on this proposal. These topics include:

- 38
39 - HPwES quality assurance requirements²
40 - Minimum contractor eligibility and participation guidance
41 - In-field Inspection Protocols³
42 - Job report review guidance and suggested follow-up protocol

¹ See P3 – Proposed Guidelines for Home Performance with ENERGY STAR Comprehensive Home Assessment

² See P1 – Proposed Home Performance with ENERGY STAR Quality Assurance Requirements

³ See P6 – Proposed Guidelines for Home Performance with ENERGY STAR In-field Quality Assurance Inspection Protocols

- 1 - Customer feedback guidance and suggested follow-up protocol⁴

2
3 Comments Requested

4
5 The National HPwES Program is seeking comments on the proposed Guidelines for Contractor
6 Feedback and Corrective Action; specifically:

- 7
8 1. Is the proposed approach and corrective actions clear and reasonable?
9 2. If they are not clear and reasonable, how should they be modified to make them so?
10 3. Are there additional feedback or corrective actions that should be addressed, and if so
11 what are they?
12

13 Contractor Feedback & Corrective Actions

14
15 The quality assurance component of the HPwES program serves a dual purpose: first to ensure
16 that contractors are meeting all program guidelines and technical standards and second to
17 provide a mechanism for constructive feedback loops on their completed work that lead to
18 improvements in their diagnostic capabilities, comprehensiveness and quality of work and
19 customer relations. Contractor feedback is the key means for ensuring that inconsistencies or
20 deficiencies in their completed work are being addressed, while at the same time ensuring that
21 good work is being recognized and affirmed.
22

23 The contractor feedback process should flow from the job reporting (paperwork) review process,
24 customer surveys or feedback, and in-field quality assurance inspections.
25

26 Program sponsors need to document contractor performance as a standard procedure in their
27 paperwork reviews, processing of customer feedback surveys, and in-field inspection process.
28 This documentation must include tracking of Quality Assurance inspection scores and the
29 specific findings from in-field inspections and should be used by program administrators to look
30 for trends in a contractor's performance over time.
31

32 Programs also need to have a standard process for handling deficiencies when they are found
33 through the QA process. The following list shows 5 categories of potential results from the QA
34 process and contractor feedback and/or corrective actions:
35

- 36 1. If any serious deficiencies are found through the quality assurance process (typically in-
37 field inspection) that must be addressed immediately because of imminent health and
38 safety threats, it is required that the quality assurance inspector contact the contractor
39 without delay and verify that the corrective action is made while the inspector is still on-
40 site. If the contractor cannot be reached, the inspector is required to either take
41 remedial action him- or herself or instruct the customer to abandon the site until the
42 threat is mitigated.
43
44 2. If the customer is dissatisfied and/or if deficiencies are found that must be corrected but
45 are not an immediate health or safety threat to home's occupants, the QA inspector is
46 required at a minimum to write up the findings and speak with the Contractor / Field
47 Supervisor to discuss the findings and corrective actions to be taken. It is recommended
48 that the QA inspector document the conversation or meeting for record-keeping
49 purposes. It is also recommended that the QA inspector provide a work scope of

⁴ See P8 – Proposed Home Performance with ENERGY STAR Customer Feedback Guidance

1 corrective actions to the contractor and require the contractor to correct deficiencies
2 within a specific period of time (recommended to not exceed 30 days). It is required that
3 the contractor provide written documentation with the customer's signature to the
4 program in order to document the completion of the work scope of corrective actions.
5 One way to do this is simply to have the contractor and customer fill out and sign the
6 program's project completion paperwork again; alternatively, the program could design
7 separate forms for QA corrective action orders and completions.
8

- 9
- 10 3. If the customer is satisfied with the work and program and technical standards have
11 generally been met, but deficiencies are present in the completeness, compliance with
12 the contract or quality of the work performed that should be corrected, it is
13 recommended that the contractor be informed in a written report that addresses the
14 deficiencies found and directs the contractor to correct the deficiencies within a specific
15 period of time (recommended to not exceed 45 days). Contractor is required to provide
16 written documentation with the customer's signature to the program to document the
17 completion of the corrective actions (e.g., filling out and signing program completion
18 paperwork with the customer).
 - 19 4. If the customer is satisfied with the work, program and technical standards have
20 generally been met, but there are relatively minor deficiencies or opportunities to
21 improve a contractor's performance such as a non-comprehensive set of
22 recommendations in the homeowner report, evidence of repeatedly non-comprehensive
23 job scopes (suggesting a lack of desire or success in selling comprehensive work) or an
24 indication of inaccuracy in tests performed, it is recommended that the program provide
25 constructive written feedback to the contractor to encourage improvement in the future.
26
 - 27 5. If there are no deficiencies in performance found and the contractor has provided
28 comprehensive recommendations, fulfilled the work scope, and installed measures that
29 meet all technical standards, it is recommended that the program provide positive
30 feedback to the contractor on their performance. Exemplary performance should also be
31 documented and, if consistent, it is suggested that contractors be recognized for their
32 contributions to the program.
33

34 If contractor performance falls repeatedly into any of the first three categories listed above, it is
35 recommended that the program consider additional program action beyond the corrective action
36 measures in the home. Additional training or job mentoring can be offered or required to
37 address the deficiencies in performance, if deemed necessary by the QA inspector. It is also
38 recommended that the program increase the in-field QA inspection sampling rate until the
39 contractor shows marked improvement on a consistent basis.
40

41 Periodic reviews of a contractor's history of performance are recommended on at least a
42 quarterly basis. This review should focus on specific trends in deficiencies in the contractor's
43 performance and it is recommended that the result of this analysis be presented to the
44 contractor and documented.
45

46 It is recommended that programs develop standard forms for QA in-field inspections, job
47 reporting (paperwork) review, follow-up work orders, work order completion documentation, and
48 documenting communications or meetings with contractors. In-field inspection forms would

1 document the overall score of the contractor on the inspection⁵ and contribute to the periodic
2 review of contractor performance.

3
4 De-listing Procedures

5
6 Based on the results of QA activities, the local sponsor should document and inform
7 participating contractors of any significant or serious deficiencies and any corrective actions that
8 need to be taken. It is recommended that contractors who continuously deliver inconsistent
9 results, even after intervention by the program, be considered for probation or expulsion from
10 the HPwES Program. Program sponsors are required to have policies covering disciplinary and
11 expulsion procedures.

12
13 The following is an example of an acceptable disciplinary policy:

14
15 Contractors who consistently fail on in-field inspections or fail to respond to corrective action or
16 customer issues may be subject to a probationary period and/or program expulsion and de-
17 listing. Probation and/or expulsion and de-listing occur based on the evaluation of a contractor's
18 performance during the QA process and upon recommendation of the program administrator.

- 19
20 1. A probationary period shall be used for contractors as the initial step towards de-listing.
21 The contractor shall be notified in writing via certified mail that they are now subject to
22 the probationary period. The notification shall outline the deficiencies that have been
23 found through the QA process, the period of probation (time or number of jobs), and the
24 corrective actions that the contractor must take in order to be re-instated to full
25 participation status. During the probationary period the contractor shall be subjected to
26 additional quality assurance inspections, and may be required to attend additional
27 training and/or participate in a mentoring period (in which a program "mentor" is involved
28 in overseeing the contractor's assessment, installation and/or test-out). The
29 probationary period will still allow the contractor to participate in the program but
30 continued failure of in-field inspections could result in program suspension or expulsion.
31
32 2. If a contractor does not meet the corrective actions outlined in their notification of
33 probation then they shall be subject to program expulsion and de-listing. If a contractor
34 receives a third probationary period during a 2-year period, or if they are found to
35 engage in malfeasance, they shall be subject to immediate program expulsion and de-
36 listing. The contractor shall be notified in writing via certified mail of their expulsion and
37 de-listing. The notification shall state the deficiencies found in their performance, the
38 reason for de-listing, and potential steps (if any) the contractor could take in order to be
39 reinstated.

40
41

⁵ See P6 – Proposed Guidelines for Home Performance with ENERGY STAR In-field Inspection Quality Assurance Inspection Protocols